



“Foreign Direct Investment Destination: FRANCE”

France is the third most popular destination for foreign direct investment (FDI) in the world with \$158 billion in 2007, an increase of 86% over 2006. The estimate for 2008 is about \$114 billion, which will likely make France the leading FDI destination in Europe. The U.S. is the leading foreign investor, with investment stock valued at \$220 billion, supporting about 600,000 French jobs. In recent years, American investment has accounted for nearly a quarter of the jobs created in France and there are currently over 2,000 American companies with offices or facilities in the country.

The reasons for France's attractiveness are many. With an economy worth \$2 trillion – the sixth largest in the world – France is one of the largest and most sophisticated markets in the world. A central location, well-trained workforce, some of the best transport links in Europe, excellent telecoms and broadband infrastructure, and a variety of government investment incentives have made it an increasingly attractive target for investors over the years. Although the worldwide economic crisis has slowed reforms and growth, President Sarkozy (right) continues to try to improve the business climate and modernize the economy through measures such as reductions of social charges for employers, tax and social security exemptions on overtime hours for employees, greater work-time flexibility, and more rapid, on-line registration of companies.



As part of its strategy to strengthen its flourishing high-tech economy, France is developing 66 national and 16 international competitive clusters, including five launched in July 2007. Of these, six have already been identified as “world-class”. These are: telecommunications, virology, software, nanotechnology, aeronautics and aerospace, healthcare, and medical technology. Additional assistance is available for foreign companies locating to these clusters, including exemption from some tax and social security charges. France also actively seeks to attract investment in sectors such as: alternative energy and propulsion, biotechnology, animation/video games, recycling, and environmental technology.

France is well known as a leading technical and scientific innovator, with high levels of education and scientific expertise. Aside from the competitive clusters, there is strong support for corporate R&D, including a research tax credit of 30% of R&D costs up to €100 million, and companies may also be entitled to tax and social security exemptions if they meet certain criteria. Public-private partnerships are also being facilitated, whereby local government entities can contract with private investors to build and manage infrastructure and similar projects.

Recently several new economic sectors have also been opened to private investment, such as management of the airports and freight handling at ports, and investment in hotels and supermarkets has been liberalized. There are also efforts underway to increase private sector participation in the public university system through foundations. Finally, given its central location, France is a popular location for business service and support center.

AmCham France

AmCham France, the oldest AmCham in the world, is the foremost Franco-American business platform. It unites American and French firms and individuals to foster a positive business and investment climate, and is a partner and point of reference for the French and US governments, associations, and the media. AmCham France, with its five regional chapters and eleven Task Forces, organizes over 200 events and conferences a year. These present excellent opportunities of lobbying, networking, marketing, and business education.

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www.insee.fr/en

www.apce.com

www.investinfrance.org

www.travail.gouv.fr

www.invest-infrance.org/corporate/en

www.franceguide.com

U.S. Embassy in France

National Institute of Statistics

Business Start-up Agency

Investment Promotion Agency

Ministry of employment

Invest in France Agency

Tourism and travel